

**EIGHTY-FOURTH GENERAL ASSEMBLY
2012 REGULAR SESSION
DAILY
HOUSE CLIP SHEET**

MAY 9, 2012

**Senate Amendment to
HOUSE FILE 2470**

H-8517

H Amend House File 2470, as passed by the House, as
2 follows:
3 1. Page 1, by striking lines 3 through 8 and
4 inserting:
5 <NEW PARAGRAPH. C. For purposes of this
6 subsection, the following items are exempt under
7 paragraph "a" when used in agricultural production:
8 (1) A snow blower that is to be attached to a
9 self-propelled implement of husbandry.
10 (2) A rear-mounted or front-mounted blade that
11 is to be attached to or towed by a self-propelled
12 implement of husbandry.
13 (3) A rotary cutter that is to be attached to a
14 self-propelled implement of husbandry.>
15 2. By renumbering, redesignating, and correcting
16 internal references as necessary.

RECEIVED FROM THE SENATE

H-8517 FILED MAY 8, 2012

HOUSE FILE 2473

H-8516

H Amend House File 2473 as follows:

2 1. By striking page 7, line 31, through page 9,
3 line 11.

4 2. Page 10, lines 5 and 6, by striking <the
5 moneys deposited by the department of revenue pursuant
6 to section 15.331,>

7 3. Page 18, after line 22 by inserting:

8 <10. The authority shall not award a grant to an
9 entrepreneur assistance program from the entrepreneur
10 investment awards program fund after June 30, 2014.
11 It is the intent of the general assembly to review
12 and assess the success of the entrepreneur investment
13 awards program based on the report provided by the
14 economic development authority.

15 11. The economic development authority shall
16 conduct a comprehensive review of the entrepreneur
17 investment awards program and shall, by December 31,
18 2013, submit a report of the findings of the review,
19 as well as any recommendations and cost projections of
20 its recommendations, to the governor and the general
21 assembly. The report shall consist of the following
22 information:

23 a. The number of grants awarded, the total amount
24 of the grants awarded, the total amount expended on the
25 entrepreneur investment awards program, and the number
26 of entrepreneur investment awards to entrepreneur
27 assistance programs that were the subject of repayment
28 or collection activity.

29 b. The number of applications received by the
30 authority for the program and the status of the
31 applications.

32 c. For each entrepreneur assistance program
33 receiving moneys from the entrepreneur investment
34 awards program fund, the following information:

35 (1) The amount the entrepreneur assistance program
36 received from the entrepreneur investment awards
37 program fund.

38 (2) The number of entrepreneurs creating a business
39 in the state that were assisted by the entrepreneur
40 assistance program and the number of new jobs
41 associated with the business.

42 (3) The number of entrepreneurs locating or
43 expanding a business in the state that were assisted by
44 the entrepreneur assistance program and the number of
45 new or retained jobs associated with the business.

46 (4) The entrepreneur assistance program's location.

47 (5) The amount, if any, of private and local
48 matching funds received by the entrepreneur assistance
49 program.

50 d. The number of clients referred by the authority

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1 to an entrepreneur assistance program receiving moneys
2 from the entrepreneur investment awards program fund.

3 e. An evaluation of the investment made by the
4 state of Iowa in the entrepreneur investment awards
5 program.

6 f. Any other information the authority deems
7 relevant to assessing the success of the entrepreneur
8 investment awards program.>

9 4. Page 20, by striking lines 5 through 24.

10 5. By striking page 28, line 28, through page 29,
11 line 22.

12 6. Title page, by striking lines 4 through 7 and
13 inserting <administered by the economic development
14 authority, by replacing references to the economic>

15 7. Title page, line 11, by striking <and other>

16 8. By renumbering as necessary.

By BYRNES of Mitchell

Senate Amendment to
House Amendment to
SENATE FILE 2315

H-8518

1 Amend the House amendment, S-5234, to Senate File
2 2315, as amended, passed, and reprinted by the Senate,
3 as follows:
4 1. Page 5, after line 34 by inserting:
5 <____. Page 11, line 18, by striking <A person> and
6 inserting <Notwithstanding subsection 1, a person>>
7 2. Page 7, by striking lines 7 through 13 and
8 inserting <in this Act. In addition, the transition>
9 3. Page 10, after line 22 by inserting:
10 _____. Chapter 229.>
11 4. Page 12, after line 10 by inserting:
12 <____. Page 27, line 23, before <one> by inserting
13 <at least>
14 _____. Page 27, line 24, after <designees> by
15 inserting <and any other members specified in the
16 region's regional governance agreement entered into in
17 accordance with section 331.438E>>
18 5. Page 15, line 1, after <applies> by inserting
19 <beginning July 1, 2012,>
20 6. Page 15, line 5, after <costs> by inserting <for
21 services provided on or after July 1, 2011,>
22 7. Page 15, after line 8 by inserting:
23 (____) Chapter 229.>
24 8. Page 15, line 17, after <billing.> by inserting
25 <However, for services provided on or after July 1,
26 2011, for which a county has received the billing as of
27 July 1, 2012, the county shall notify the department of
28 the county's assertion on or before October 1, 2012.>
29 9. By striking page 24, line 23, through page 28,
30 line 2, and inserting:
31 <DIVISION ____
32 PROPERTY TAX-RELATED PROVISIONS
33 Sec. _____. MENTAL HEALTH AND DISABILITY SERVICES
34 REDESIGN FISCAL VIABILITY ANALYSIS.
35 1. The legislative council is requested to
36 authorize a study committee to analyze the viability
37 of the mental health and disability services redesign
38 financing provisions in 2012 Iowa Acts, Senate File
39 2315, if enacted, during the 2012 and 2013 legislative
40 interims. The study committee may contract for an
41 independent analysis to be performed. Reports of
42 the analysis containing findings and recommendations
43 shall be submitted for consideration during the 2013
44 legislative session. The study committee may meet
45 during the 2013 legislative interim to consider and
46 determine whether revisions to 2013 redesign financing
47 enactments are warranted and to make appropriate
48 recommendations for consideration during the 2014
49 legislative session.
50 2. The financial information addressed by the

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1 analysis shall include but is not limited to all of the
2 following:

3 a. A determination as to the adequacy of the local
4 funding sources available to counties and county
5 regions, including the per capita levy provisions;
6 whether adjustments are warranted to reflect the
7 relative capacity of the property tax base to provide
8 needed funding; how to provide funding sufficiently
9 flexible to meet the needs identified and reflect
10 annual population and property valuation changes;
11 and identification of options for revising the levy
12 provisions.

13 b. Identification of options and alternatives for
14 provision of state funding to the regional system,
15 including making equalization payments, addressing
16 growth and population shifts, dealing with growth in
17 terms of costs and numbers of consumers, and allocation
18 of state cases in a phase-out of the legal settlement
19 system for determining financial responsibility.

20 c. Analysis of the likely effects that the
21 implementation of the federal Patient Protection and
22 Affordable Care Act, Pub. L. No. 111-148, as amended by
23 the federal Health Care and Education Reconciliation
24 Act of 2010, Pub. L. No. 111-152, and any amendments
25 thereto, or other applicable federal law, will have on
26 the service obligations of counties.

27 d. Analysis of services fund balances held by
28 counties.

29 Sec. _____. Section 331.424A, Code Supplement 2011,
30 is amended to read as follows:

31 331.424A County mental health, ~~mental retardation,~~
32 and ~~developmental~~ disabilities services fund.

33 1. For the purposes of this chapter and chapter
34 426B, unless the context otherwise requires,
35 ~~"services fund" means the county mental health, mental~~
36 ~~retardation, and developmental disabilities services~~
37 ~~fund created in subsection 2. The county finance~~
38 ~~committee created in section 333A.2 shall consult with~~
39 ~~the state commission in adopting rules and prescribing~~
40 ~~forms for administering the services fund.:~~

41 a. "Base year expenditures for mental health and
42 disabilities services" means the same as defined in
43 section 331.438, Code Supplement 2011, minus the amount
44 the county received from the property tax relief fund
45 pursuant to section 426B.1, Code 2011, for the fiscal
46 year beginning July 1, 2008.

47 b. "County population expenditure target amount"
48 means the product of the statewide per capita
49 expenditure target amount multiplied by a county's
50 general population.

1 c. "County services fund" means a county mental
2 health and disabilities services fund created pursuant
3 to this section.

4 d. "Per capita growth amount" means the amount by
5 which the statewide per capita expenditure target
6 amount may grow from one year to the next.

7 e. "Statewide per capita expenditure target amount"
8 means the dollar amount of a statewide expenditure
9 target per person as established by statute.

10 2. The county finance committee created in section
11 333A.2 shall consult with the department of human
12 services and the department of management in adopting
13 rules and prescribing forms for administering the
14 county services funds.

15 ~~2.~~ 3. ~~For the fiscal year beginning July 1, 1996,~~
16 ~~and succeeding fiscal years, county~~ County revenues
17 from taxes and other sources designated by a county for
18 mental health, ~~mental retardation,~~ and ~~developmental~~
19 disabilities services shall be credited to the county
20 mental health, ~~mental retardation,~~ and ~~developmental~~
21 disabilities services fund ~~of which shall be created by~~
22 the county. The board shall make appropriations from
23 the fund for payment of services provided under the
24 ~~county regional service system management plan approved~~
25 pursuant to section ~~331.439~~ 331.439A. The county may
26 pay for the services in cooperation with other counties
27 by pooling appropriations from the county services
28 fund with appropriations from the county services fund
29 ~~of other counties or through county regional entities~~
30 ~~including but not limited to the county's mental health~~
31 ~~and developmental disabilities regional planning~~
32 ~~council created pursuant to section 225C.18 through the~~
33 county's regional administrator, or through another
34 arrangement specified in the regional governance
35 agreement entered into by the county under section
36 331.438E.

37 ~~3.~~ 4. ~~For the fiscal year beginning July 1, 1996,~~
38 ~~and succeeding fiscal years, receipts~~ Receipts from the
39 state or federal government for ~~such the mental health~~
40 and disability services administered or paid for by a
41 county shall be credited to the county services fund,
42 including moneys allotted distributed to the county
43 from the state payment made pursuant to section 331.439
44 ~~and moneys allotted to the county for property tax~~
45 ~~relief pursuant to section 426B.1 department of human~~
46 services and moneys allocated under chapter 426B.

47 ~~4.~~ 5. ~~For the fiscal year beginning July 1, 1996,~~
48 ~~and for each subsequent fiscal year, the county shall~~
49 certify a levy for payment of services. For each
50 fiscal year, county revenues from taxes imposed by the

1 county credited to the services fund shall not exceed
2 an amount equal to the amount of base year expenditures
3 for mental health and disability services as defined
4 ~~in section 331.438, less the amount of property tax~~
5 ~~relief to be received pursuant to section 426B.2, in~~
6 ~~the fiscal year for which the budget is certified.~~
7 ~~The county auditor and the board of supervisors shall~~
8 ~~reduce the amount of the levy certified for the~~
9 ~~services fund by the amount of property tax relief~~
10 ~~to be received.~~ A levy certified under this section
11 is not subject to the appeal provisions of section
12 331.426 or to any other provision in law authorizing a
13 county to exceed, increase, or appeal a property tax
14 levy limit.

15 ~~5. 6.~~ Appropriations specifically authorized to be
16 made from the mental health, ~~mental retardation,~~ and
17 ~~developmental~~ disabilities services fund shall not be
18 made from any other fund of the county.

19 ~~6. 7.~~ ~~This section is repealed July 1, 2013.~~
20 Notwithstanding subsection 5, for the fiscal years
21 beginning July 1, 2013, and July 1, 2014, county
22 revenues from taxes levied by the county and credited
23 to the county services fund shall not exceed the lower
24 of the following amounts:

25 a. The amount of the county's base year
26 expenditures for mental health and disabilities
27 services.

28 b. The amount equal to the product of the statewide
29 per capita expenditure target for the fiscal year
30 beginning July 1, 2013, multiplied by the county's
31 general population for the same fiscal year.

32 Sec. _____. Section 331.432, subsection 3, Code
33 Supplement 2011, is amended to read as follows:

34 3. Except as authorized in section 331.477,
35 transfers of moneys between the county mental health,
36 ~~mental retardation,~~ and ~~developmental~~ disabilities
37 services fund created pursuant to section 331.424A and
38 any other fund are prohibited.

39 Sec. _____. Section 426B.1, subsection 2, Code 2011,
40 is amended by striking the subsection and inserting in
41 lieu thereof the following:

42 2. Moneys shall be distributed from the property
43 tax relief fund to counties for the mental health and
44 disability regional service system for providing county
45 base property tax equivalent equalization payments and
46 the per capita growth amount established pursuant to
47 section 426B.3, in accordance with the appropriations
48 made to the fund and other statutory requirements.

49 Sec. _____. Section 426B.2, subsections 1 and 2, Code
50 2011, are amended by striking the subsections.

1 Sec. _____. Section 426B.2, subsection 3, Code 2011,
2 is amended to read as follows:

3 3. ~~a.~~ The director of human services shall draw
4 warrants on the property tax relief fund, payable to
5 the county treasurer in the amount due to a county in
6 accordance with ~~subsection 1~~ section 426B.3, and mail
7 the warrants to the county auditors in July and January
8 of each year.

9 ~~b. Any replacement generation tax in the property~~
10 ~~tax relief fund as of May 1 shall be paid to the~~
11 ~~county treasurers in July and January of the fiscal~~
12 ~~year beginning the following July 1. The department~~
13 ~~of management shall determine the amount each county~~
14 ~~will be paid pursuant to this lettered paragraph~~
15 ~~for the following fiscal year. The department shall~~
16 ~~reduce by the determined amount the amount of each~~
17 ~~county's certified budget to be raised by property~~
18 ~~tax for that fiscal year which is to be expended for~~
19 ~~mental health, mental retardation, and developmental~~
20 ~~disabilities services and shall revise the rate of~~
21 ~~taxation as necessary to raise the reduced amount. The~~
22 ~~department of management shall report the reduction in~~
23 ~~the certified budget and the revised rate of taxation~~
24 ~~to the county auditors by June 15.~~

25 Sec. _____. Section 426B.3, Code 2011, is amended by
26 striking the section and inserting in lieu thereof the
27 following:

28 426B.3 Per capita funding for fiscal years 2013-2014
29 and 2014-2015.

30 1. For the fiscal years beginning July 1, 2013,
31 and July 1, 2014, the state and county funding for the
32 mental health and disability services administered
33 or paid for by counties shall be provided based on a
34 statewide per capita expenditure target amount computed
35 in accordance with this section.

36 2. The statewide per capita expenditure target
37 amount shall consist of the sum of the following:

38 a. A county base property tax equivalent to
39 forty-seven dollars and twenty-eight cents per capita.
40 Each per capita growth amount established by statute
41 as provided in paragraph "b", shall be added to this
42 amount.

43 b. A per capita growth amount, which may be stated
44 as a percentage of the prior fiscal year's county base
45 property tax per capita amount, as established by
46 statute.

47 3. The per capita growth amount established
48 by statute shall provide funding for increases in
49 non-Medicaid expenditures from county services funds
50 due to service costs, additional service populations,

1 additional core service domains, and numbers of persons
2 receiving services.

3 4. a. For the fiscal years beginning July 1, 2013,
4 and July 1, 2014, a county with a county population
5 expenditure target amount that exceeds the amount of
6 the county's base year expenditures for mental health
7 and disabilities services shall receive an equalization
8 payment for the difference.

9 b. The equalization payments determined in
10 accordance with this subsection shall be made by the
11 department of human services for each fiscal year as
12 provided in appropriations made from the property tax
13 relief fund for this purpose.

14 Sec. _____. REPEAL. Section 426B.6, Code Supplement
15 2011, is repealed.

16 Sec. _____. EFFECTIVE DATE. The following provisions
17 of this division of this Act take effect July 1, 2013:

18 1. The section of this Act amending section
19 331.424A.

20 2. The section of this Act amending section
21 331.432.

22 3. The section of this Act amending section 426B.1.

23 4. The sections of this Act amending section
24 426B.2.

25 5. The section of this Act amending section 426B.3.

26 Sec. _____. APPLICABILITY. The following provisions
27 of this division of this Act are applicable commencing
28 with the budget and tax levy certification process for
29 the fiscal year beginning July 1, 2013:

30 1. The section of this Act amending section
31 331.424A.

32 2. The section of this Act amending section 426B.1.

33 3. The sections of this Act amending section
34 426B.2.

35 4. The section of this Act amending section
36 426B.3.>

37 10. By renumbering as necessary.

RECEIVED FROM THE SENATE

REPORT OF THE CONFERENCE COMMITTEE
ON [SENATE FILE 2284](#)

To the President of the Senate and the Speaker of the House of Representatives:

We, the undersigned members of the conference committee appointed to resolve the differences between the Senate and House of Representatives on [Senate File 2284](#), a bill for an Act relating to programs and activities under the purview of the department of education, the state board of education, the board of educational examiners, the state board of regents, school districts, and accredited nonpublic schools, and including effective date provisions, respectfully make the following report:

1. That the House recedes from its amendment, [S-5216](#).

2. That [Senate File 2284](#), as amended, passed, and reprinted

by the Senate, is amended to read as follows:

1. By striking everything after the enacting clause and inserting:

<DIVISION I

COMPETENCY-BASED INSTRUCTION

Section 1. Section 256.7, subsection 26, paragraph a, Code Supplement 2011, is amended by adding the following new subparagraph:

NEW SUBPARAGRAPH. (02) The rules shall allow a school district or accredited nonpublic school to award high school credit to an enrolled student upon the demonstration of required competencies for a course or content area, as approved by a teacher licensed under chapter 272. The school district or accredited nonpublic school shall determine the assessment methods by which a student demonstrates sufficient evidence of the required competencies.

Sec. 2. COMPETENCY-BASED INSTRUCTION TASK FORCE.

1. The department of education shall appoint a task force

to conduct a study regarding competency-based instruction standards and options and the integration of competency-based instruction with the Iowa core curriculum, and to develop related assessment models and professional development focused on competency-based instruction.

2. At a minimum, the task force shall do all of the following:

- a. Redefine the Carnegie unit into competencies.
- b. Construct personal learning plans and templates.
- c. Develop student-centered accountability and assessment models.
- d. Empower learning through technology.
- e. Develop supports and professional development for educators to transition to a competency-based system.

3. The task force shall be comprised of at least twelve members, nine of whom shall represent education stakeholders and practitioners knowledgeable about the Iowa core curriculum; one of whom shall be the deputy director and administrator of the division of learning and results of the department of education or the deputy director's designee; one of whom shall represent the area education agencies; and one of whom shall represent the Iowa state education association.

4. The person representing the area education agency shall convene the initial meeting. The task force shall elect one of its members as chairperson. After the initial meeting, the task force shall meet at the time and place specified by call of the chairperson. The department of education shall provide staffing services for the task force.

5. a. The task force shall submit a preliminary report that includes but is not limited to its findings and recommendations relating to subsection 2, paragraphs "b", "d", and "e", by January 15, 2013.

b. The task force shall submit its plan, findings, models, and recommendations in a final report to the state board of education, the governor, and the general assembly by November

15, 2013.

Sec. 3. EFFECTIVE UPON ENACTMENT. This division of this Act, being deemed of immediate importance, takes effect upon enactment.

DIVISION II

ASSESSMENT OF STUDENT PROGRESS ON CORE ACADEMIC INDICATORS

Sec. 4. Section 256.7, subsection 21, paragraph b, Code Supplement 2011, is amended to read as follows:

b. A set of core academic indicators in mathematics and reading in grades four, eight, and eleven, a set of core academic indicators in science in grades eight and eleven, and another set of core indicators that includes, but is not limited to, graduation rate, postsecondary education, and successful employment in Iowa. Annually, the department shall report state data for each indicator in the condition of education report. Rules adopted pursuant to this subsection shall specify that the approved district-wide assessment of student progress administered for purposes of this paragraph shall be the assessment utilized by school districts statewide in the school year beginning July 1, 2011. The state board may submit to the general assembly recommendations the state board deems appropriate for modifications of assessments of student progress administered for purposes of this paragraph.

DIVISION III

TEACHER AND ADMINISTRATOR MATTERS

Sec. 5. Section 284.6, subsection 8, Code Supplement 2011, is amended to read as follows:

8. For each year in which a school district receives funds calculated and paid to school districts for professional development pursuant to section 257.10, subsection 10, or section 257.37A, subsection 2, the school district shall create quality professional development opportunities. Not less than thirty-six hours in the school calendar, held outside of the minimum school day, shall be set aside during nonpreparation time or designated professional development time to allow practitioners to collaborate with each other to

deliver educational programs and assess student learning, or to engage in peer review pursuant to section 284.8, subsection 1. The goal for the use of the funds is to provide one additional contract day or the equivalent thereof for professional development, and use of the funds is limited to providing professional development to teachers, including additional salaries for time beyond the normal negotiated agreement; pay for substitute teachers, professional development materials, speakers, and professional development content; and costs associated with implementing the individual professional development plans. The use of the funds shall be balanced between school district, attendance center, and individual professional development plans, making every reasonable effort to provide equal access to all teachers.

Sec. 6. Section 284.8, subsection 1, Code 2011, is amended to read as follows:

1. A school district shall provide for an annual review a of each teacher's performance at least once every three years for purposes of assisting teachers in making continuous improvement, documenting continued competence in the Iowa teaching standards, identifying teachers in need of improvement, or to determine whether the teacher's practice meets school district expectations for career advancement in accordance with section 284.7. The review shall include, at minimum, classroom observation of the teacher, the teacher's progress, and implementation of the teacher's individual professional development plan, subject to the level of resources provided to implement the plan; and shall include supporting documentation from parents, students, and other teachers. The first and second year of review shall be conducted by a peer group of teachers. The peer group shall review all of the peer group members. Peer group reviews shall be formative and shall be conducted on an informal, collaborative basis that is focused on assisting each peer group member in achieving the goals of the teacher's individual professional development plan. Peer group reviews

shall not be the basis for recommending that a teacher participate in an intensive assistance program, and shall not be used to determine the compensation, promotion, layoff, or termination of a teacher, or any other determination affecting a teacher's employment status. However, as a result of a peer group review, a teacher may elect to participate in an intensive assistance program. Members of the peer group shall be reviewed every third year by at least one evaluator certified in accordance with section 284.10.

Sec. 7. Section 284A.7, Code 2011, is amended to read as follows:

284A.7 Evaluation requirements for administrators.

A school district shall conduct an annual evaluation of an administrator who holds a professional administrator license issued under chapter 272 ~~at least once every three years~~ for purposes of assisting the administrator in making continuous improvement, documenting continued competence in the Iowa standards for school administrators adopted pursuant to section 256.7, subsection 27, or to determine whether the administrator's practice meets school district expectations. The ~~review~~ evaluation shall include, at a minimum, an assessment of the administrator's competence in meeting the Iowa standards for school administrators and the goals of the administrator's individual professional development plan, including supporting documentation or artifacts aligned to the Iowa standards for school administrators and the individual administrator's professional development plan.

Sec. 8. REPEAL. Section 284.14A, Code 2011, is repealed.

Sec. 9. STATEWIDE EDUCATOR EVALUATION SYSTEM TASK FORCE.

1. The director of the department of education shall convene a task force to conduct a study regarding a statewide teacher evaluation system and a statewide administrator evaluation system.

2. The task force shall be comprised of at least twelve members as follows:

a. Eight members shall be appointed by the director to represent education stakeholders and practitioners knowledgeable about the Iowa core curriculum and may include members currently serving on the department's teacher quality partnership teacher evaluation team.

b. One member shall be the deputy director and administrator of the division of learning and results of the department of education or the deputy director's designee.

c. One member shall represent the area education agencies.

d. One member shall represent a certified employee organization representing teachers licensed under chapter 272.

e. One member shall represent a statewide organization representing school administrators licensed under chapter 272.

3. The person representing the area education agency shall convene the initial meeting. The task force shall elect one of its members as chairperson. After the initial meeting, the task force shall meet at the time and place specified by call of the chairperson. The department of education shall provide staffing services for the task force.

4. To the extent possible, appointments shall be made to provide geographical area representation and to comply with sections 69.16, 69.16A, and 69.16C.

5. The task force shall develop a statewide teacher evaluation system and a statewide administrator evaluation system that standardize the instruments and processes used by school districts, charter schools, and accredited nonpublic schools throughout the state to evaluate teachers and administrators. The components of the statewide teacher evaluation system shall include but not be limited to the following:

a. Direct observation of classroom teaching behaviors.

b. Balanced consideration of student growth measures, when available for tested subjects and grades, to supplement direct observation of classroom teaching behaviors.

c. Integration of the Iowa teaching standards.

d. System applicability to teachers in all content areas taught in a school.

6. The task force, at a minimum, shall include in its recommendations and proposal a tiered evaluation system that differentiates ineffective, minimally effective, effective, and highly effective performance by teachers and administrators.

7. The task force shall submit its findings, recommendations, and a proposal for each system to the general assembly by October 15, 2012.

Sec. 10. IOWA TEACHING STANDARDS AND CRITERIA REVIEW TASK FORCE.

1. The department of education shall convene a task force to identify and recommend measures to improve the Iowa teaching standards and criteria and align the Iowa teaching standards with best practices and nationally accepted standards, and to identify and recommend measures to improve the educator evaluations conducted based on the Iowa teaching standards. The task force shall recommend changes to the Iowa Code as appropriate.

2. The task force shall consist of teachers, administrators, and representatives of the department of education, the board of educational examiners, an organization representing teachers, an organization representing school boards, accredited institutions of higher education, and any other appropriate educational stakeholders.

3. The task force shall submit its findings and recommendations, including recommendations for changes to the Iowa Code as appropriate, to the general assembly by November 15, 2012.

Sec. 11. TEACHER PERFORMANCE, COMPENSATION, AND CAREER DEVELOPMENT TASK FORCE.

1. The director of the department of education shall appoint, and provide staffing services for, a teacher performance, compensation, and career development task force

to develop recommendations for a new teacher compensation system to replace the current teacher compensation system which addresses, at a minimum, the following:

- a. The duties and responsibilities of apprentice, career, mentor, and master teachers.
- b. Utilizing retired teachers as mentors.
- c. Strategic and meaningful uses of finite resources and the realignment of resources currently available.
- d. Mechanisms to substantially increase the average salary of teachers who assume leadership roles within the profession.
- e. Standardizing implementation of task force recommendations in all of Iowa's school districts and public charter schools.

2. The task force shall also propose a peer coaching pilot project to expand excellence in the teaching profession. The proposal shall include recommendations for peer coaching criteria goals, strategies, documentation of progress, incentives for participation, and program evaluation.

3. The director of the department of education shall appoint and provide staffing services for a task force whose members shall represent teachers, parents, school administrators, and business and community leaders. Insofar as practicable, appointments shall be made to provide geographical area representation and to comply with sections 69.16, 69.16A, and 69.16C.

4. The task force shall submit its findings, recommendations, and pilot project proposal in a report to the state board of education, the governor, and the general assembly by October 15, 2012.

Sec. 12. EFFECTIVE UPON ENACTMENT. The section of this division of this Act providing for the appointment of the teacher performance, compensation, and career development task force, being deemed of immediate importance, takes effect upon enactment.

DIVISION IV
ONLINE LEARNING

Sec. 13. Section 256.2, Code 2011, is amended by adding the following new subsection:

NEW SUBSECTION. 2A. "Online learning" and "online coursework" mean educational instruction and content which are delivered primarily over the internet. "Online learning" and "online coursework" do not include print-based correspondence education, broadcast television or radio, videocassettes, or stand-alone educational software programs that do not have a significant internet-based instructional component.

Sec. 14. Section 256.7, subsection 7, paragraph d, Code Supplement 2011, is amended to read as follows:

d. ~~For the purpose purposes of the rules adopted by the state board, telecommunications~~ this chapter, "telecommunications" means narrowcast communications through systems that are directed toward a narrowly defined audience and includes interactive live communications. For purposes of this chapter, "telecommunications" does not include online learning.

Sec. 15. Section 256.7, Code Supplement 2011, is amended by adding the following new subsection:

NEW SUBSECTION. 33. a. Adopt rules for online learning in accordance with sections 256.24, 256.24A, and 256.27, and criteria for waivers granted pursuant to section 256.24.

b. Except as provided in paragraph "c", adopt rules prohibiting the open enrollment of students whose educational instruction and course content are delivered primarily over the internet.

c. Adopt rules that limit the statewide enrollment of pupils in educational instruction and course content that are delivered primarily over the internet to not more than eighteen one-hundredths of one percent of the statewide enrollment of all pupils, and that limit the number of pupils

participating in open enrollment for purposes of receiving educational instruction and course content that are delivered primarily over the internet to no more than one percent of a sending district's enrollment. Until June 30, 2015, students who meet the requirements of section 282.18 may participate in open enrollment under this paragraph "c" for purposes of enrolling only in the CAM community school district or the Clayton Ridge community school district.

(1) School districts providing educational instruction and course content that are delivered primarily over the internet pursuant to this paragraph "c" shall annually submit to the department, in the manner prescribed by the department, data that includes but is not limited to student achievement and demographic characteristics, retention rates, and the percentage of enrolled students' active participation in extracurricular activities.

(2) The department shall conduct annually a survey of not less than ten percent of the total number of students enrolled as authorized under this paragraph "c" and section 282.18, and not less than one hundred percent of the students in those districts who are enrolled as authorized under this paragraph "c" and section 282.18 and who are eligible for free or reduced price meals under the federal National School Lunch Act and the federal Child Nutrition Act of 1966, 42 U.S.C. §§ 1751-1785, to determine whether students are enrolled under this paragraph "c" and section 282.18 to receive educational instruction and course content primarily over the internet or are students who are receiving competent private instruction from a licensed practitioner provided through a school district pursuant to chapter 299.

(3) The department shall compile and review the data collected pursuant to this paragraph "c" and shall submit its findings and recommendations for the continued delivery of instruction and course content by school districts pursuant to this paragraph "c", in a report to the general assembly by January 15 annually.

(4) This paragraph "c" is repealed July 1, 2015.

Sec. 16. Section 256.9, Code Supplement 2011, is amended by adding the following new subsection:

NEW SUBSECTION. 65. Develop and establish an online learning program model in accordance with rules adopted pursuant to section 256.7, subsection 33, paragraph "a", and in accordance with section 256.27.

Sec. 17. NEW SECTION. 256.24 Iowa learning online initiative.

1. An Iowa learning online initiative is established within the department to partner with school districts and accredited nonpublic schools to provide distance education to high school students statewide. The department shall utilize a variety of content repositories, including those maintained by the area education agencies and the public broadcasting division, in administering the initiative.

2. The initiative shall include an online learning program model designed to prepare teachers to meet the needs of students in an online learning environment, including but not limited to building community interaction and support, developing strategies for working with virtual students, and assessing virtual students.

3. Coursework offered under the initiative shall be taught by a teacher licensed under chapter 272 who has completed an online-learning-for-Iowa-educators-professional-development project offered by area education agencies, a teacher preservice program, or comparable coursework.

4. Each participating school district and accredited nonpublic school shall submit its online curricula to the department for review. Each participating school district and accredited nonpublic school shall include in its comprehensive school improvement plan submitted pursuant to section 256.7, subsection 21, a list and description of the online coursework offered by the district.

5. Under the initiative, students must be enrolled in a participating school district or accredited nonpublic school, which is responsible for recording grades received for initiative coursework in a student's permanent record, awarding high school credit for initiative coursework, and issuing high school diplomas to students enrolled in the district or school who participate and complete coursework under the initiative. Each participating school shall identify a site coordinator to serve as a student advocate and as a liaison between the initiative staff and teachers and the school district or accredited nonpublic school.

6. Coursework offered under the initiative shall be rigorous and high quality, and the department shall annually evaluate the quality of the courses, ensure that coursework is aligned with the state's core curriculum and core content requirements and standards, as well as national standards of quality for online courses issued by an internationally recognized association for kindergarten through grade twelve online learning.

7. The department may waive for one year the provisions of section 256.11, subsection 5, which require that specified subjects be offered and taught by professional staff of a school district or school, if the school district or school makes every reasonable and good faith effort to employ a teacher licensed under chapter 272 for such a subject, and the school district or school proves to the satisfaction of the department that the school district or school is unable to employ such a teacher. The specified subject shall be provided by the initiative.

Sec. 18. NEW SECTION. 256.24A Online learning requirements

---- legislative findings and declarations.

1. The general assembly finds and declares the following:

a. That prior legislative enactments on the use of telecommunications in elementary and secondary school classes and courses did not contemplate and were not intended to

authorize participation in open enrollment under section 282.18 for purposes of attending online schools, contracts to provide exclusively or predominantly online coursework to students, or online coursework that does not use teachers licensed under chapter 272 for instruction and supervision.

b. That online learning technology has moved ahead of Iowa's statutory framework and the current administrative rules of the state board, promulgated over twenty years ago, are inadequate to regulate today's virtual opportunities.

2. Online learning curricula shall be provided and supervised by a teacher licensed under chapter 272.

Sec. 19. NEW SECTION. 256.27 Online learning program model.

1. Online learning program model established. The director, pursuant to section 256.9, subsection 65, shall establish an online learning program model that provides for the following:

a. Online access to high-quality content, instructional materials, and blended learning.

b. Coursework customized to the needs of the student using online content.

c. A means for a student to demonstrate competency in completed online coursework.

d. High-quality online instruction taught by teachers licensed under chapter 272.

e. Online content and instruction evaluated on the basis of student learning outcomes.

f. Use of funds available for online learning for program development, implementation, and innovation.

g. Infrastructure that supports online learning.

h. Online administration of online course assessments.

i. Criteria for school districts or schools to use when choosing providers of online learning to meet the online learning program requirements specified in rules adopted

pursuant to section 256.7, subsection 33, paragraph "a".

2. Private providers. At the discretion of the school board or authorities in charge of an accredited nonpublic school, after consideration of circumstances created by necessity, convenience, and cost-effectiveness, courses developed by private providers may be utilized by the school district or school in implementing a high-quality online learning program. Courses obtained from private providers shall be taught by teachers licensed under chapter 272.

3. Grading. Grades in online courses shall be based, at a minimum, on whether a student mastered the subject, demonstrated competency, and met the standards established by the school district. Grades shall be conferred only by teachers licensed under chapter 272.

4. Accreditation criteria. All online courses and programs shall meet existing accreditation standards.

Sec. 20. Section 256.33, subsection 3, Code 2011, is amended to read as follows:

3. Priority shall be given to programs integrating ~~telecommunications~~ educational technology into the classroom. The department may award grants to school corporations and higher education institutions to perform the functions listed in this section.

Sec. 21. ONLINE LEARNING ---- INTERIM STUDY. The legislative council is requested to establish an interim study committee relating to online learning and programming for school districts and related educational issues. The objective of the study shall be to review the appropriate use of online learning by school districts, the appropriate levels and sources of funding for online learning, partnerships between school districts and private providers of online programs, and the potential use of online learning as the exclusive means to

provide coursework required under the state's educational standards. The study shall identify opportunities between interested agencies and entities involved in or potentially involved in online learning activities, including but not limited to K-12 schools, area education agencies, institutions of higher learning, the public broadcasting division of the department of education, the department of education, and the Iowa communications network. The committee shall review the benefits of using the department of education's Iowa learning online initiative as the sole source of online learning for Iowa's school districts. The committee shall submit recommendations for the establishment of an online learning program model in accordance with section 256.27 to the director of the department of education by December 14, 2012. The committee is directed to submit its findings and recommendations in a report to the general assembly by December 14, 2012.

DIVISION V

BOARD OF EDUCATIONAL EXAMINERS PROVISIONS

Sec. 22. Section 272.5, Code 2011, is amended to read as follows:

272.5 Compensation of board, ~~----~~ executive director.

1. Members shall be reimbursed for actual and necessary expenses incurred while engaged in their official duties and may be entitled to per diem compensation as authorized under section 7E.6. For duties performed during an ordinary school day by a member who is employed by a school corporation or state university, the member shall also receive regular compensation from the school or university. However, the member shall reimburse the school or university in the amount of the per diem compensation received.

2. The governor shall appoint an executive director of the board of educational examiners subject to confirmation by the senate. The director shall possess a background in education licensure and administrative experience and shall serve at the pleasure of the governor. The board of educational examiners

shall set the salary of the executive director within the range established for the position by the general assembly.

Sec. 23. Section 272.25, subsection 1, Code 2011, is amended to read as follows:

1. A requirement that each student admitted to an approved practitioner preparation program must participate in field experiences that include both observation and participation in teaching activities in a variety of school settings. These field experiences shall comprise a total of at least fifty hours in duration, at least ten hours of which shall occur prior to a student's acceptance in an approved practitioner preparation program. The student teaching experience shall be a minimum of ~~twelve~~ fourteen weeks in duration during the student's final year of the practitioner preparation program. The program must make every reasonable effort to offer the student teaching experience prior to a student's last semester, or equivalent, in the program, and to expand the student's student teaching opportunities beyond one semester or the equivalent.

DIVISION VI

SCHOOL ADMINISTRATION MANAGER

Sec. 24. Section 256.7, subsection 30, Code Supplement 2011, is amended to read as follows:

30. Set standards and procedures for the approval of training programs for individuals who seek an authorization issued by the board of educational examiners for ~~employment~~ the following:

a. Employment as a school business official responsible for the financial operations of a school district.

b. Employment as a school administration manager responsible for assisting a school principal in performing noninstructional duties.

Sec. 25. Section 272.1, Code 2011, is amended by adding

the

following new subsection:

NEW SUBSECTION. 11A. "School administration manager" means a person who is authorized to assist a school principal in performing noninstructional administrative duties.

Sec. 26. Section 272.31, Code 2011, is amended by adding the

following new subsection:

NEW SUBSECTION. 2A. The board shall issue a school administration manager authorization to an individual who successfully completes a training program that meets the standards set by the state board pursuant to section 256.7, subsection 30, and who complies with rules adopted by the state board pursuant to subsection 3.

DIVISION VII

STATE BOARD OF REGENTS PROVISIONS

Sec. 27. Section 262.9, Code Supplement 2011, is amended by

adding the following new subsection:

NEW SUBSECTION. 36. Implement continuous improvement in every undergraduate program offered by an institution of higher education governed by the board.

a. A continuous improvement plan shall be developed and implemented built upon the results of the institution's student outcomes assessment program using the following phase-in timeline:

(1) For each course with typical annual enrollment of three hundred or more, whether in one or multiple sections, a continuous improvement plan shall be developed and implemented beginning in the fall semester of 2013.

(2) For each course with typical annual enrollment of two hundred or more but less than three hundred, whether in one or multiple sections, a continuous improvement plan shall be developed and implemented beginning in the fall semester of 2014.

(3) For each course with a typical annual enrollment of

one hundred or more but less than two hundred, whether in one or multiple sections, a continuous improvement plan shall be developed and implemented beginning in the fall semester of 2015.

b. For each undergraduate course the institution shall collect and use the results of formative and summative assessments in its continuous improvement plan. The board shall annually evaluate the effectiveness of the plans and shall submit an executive summary of its findings and recommendations in its annual strategic plan progress report, a copy of which shall be submitted to the general assembly.

Sec. 28. NEW SECTION. 262.94 College readiness and awareness programs.

The state board of regents may establish or contract to establish programs designed to increase college readiness and college awareness in potential first-generation college students and underrepresented populations. The programs may include but shall not be limited to college go center programs and science bound programs.

DIVISION VIII

NATIONAL BOARD FOR PROFESSIONAL TEACHING STANDARDS AWARDS

Sec. 29. Section 256.44, subsection 1, paragraph a, Code 2011, is amended to read as follows:

a. If a teacher registers for national board for professional teaching standards certification ~~by~~ after December 31, 2007, a one-time initial reimbursement award in the amount of up to one-half of the registration fee paid by the teacher for registration for certification by the national board for professional teaching standards. The teacher shall apply to the department ~~within one year of registration in a manner and according to procedures required by the department,~~ submitting to the department any documentation the department requires. A teacher who receives an initial reimbursement award shall receive a one-time final registration award in the amount of the remaining national board registration fee paid by the teacher if the teacher notifies the department of the

teacher's certification achievement and submits any documentation requested by the department.

Sec. 30. Section 256.44, subsection 1, paragraph b, subparagraph (1), subparagraph division (b), Code 2011, is amended to read as follows:

(b) If the teacher registers for national board for professional teaching standards certification ~~between January 1, 1999, and December 31, 2007,~~ and achieves certification within the timelines and policies established by the national board for professional teaching standards, an annual award in the amount of two thousand five hundred dollars upon achieving certification by the national board of professional teaching standards.

DIVISION IX
EARLY CHILDHOOD LITERACY

Sec. 31. Section 256.7, Code Supplement 2011, is amended by adding the following new subsection:

NEW SUBSECTION. 32. a. By July 1, 2013, adopt by rule guidelines for school district implementation of section 279.69, including but not limited to basic levels of reading proficiency on approved locally determined or statewide assessments and identification of tools that school districts may use in evaluating and reevaluating any student who may be or who is determined to be deficient in reading, including but not limited to initial assessments and subsequent assessments, alternative assessments, and portfolio reviews. The state board shall adopt standards that provide a reasonable expectation that a student's progress toward reading proficiency under section 279.69 is sufficient to master appropriate grade four level reading skills prior to the student's promotion to grade four.

b. Adopt rules for the Iowa reading research center and for implementation of the intensive summer literacy program developed and administered pursuant to section 256.9, subsection 53.

Sec. 32. Section 256.9, subsection 53, Code Supplement 2011, is amended by adding the following new paragraph:

NEW PARAGRAPH. c. Establish, subject to an appropriation of funds by the general assembly, an Iowa reading research center.

(1) The purpose of the center shall be to apply current research on literacy to provide for the development and dissemination of all of the following:

(a) Instructional strategies for prekindergarten through grade twelve to achieve literacy proficiency that includes reading, reading comprehension, and writing for all students.

(b) Strategies for identifying and providing evidence-based interventions for students, beginning in kindergarten, who are at risk of not achieving literacy proficiency.

(c) Models for effective school and community partnerships to improve student literacy.

(d) Reading assessments.

(e) Professional development strategies and materials to support teacher effectiveness in student literacy development.

(f) Data reports on attendance center, school district, and statewide progress toward literacy proficiency in the context of student, attendance center, and school district demographic characteristics.

(g) An intensive summer literacy program. The center shall establish program criteria and guidelines for implementation of the program by school districts, under rules adopted by the state board pursuant to section 256.7, subsection 32.

(2) The first efforts of the center shall focus on kindergarten through grade three. The center shall draw upon national and state expertise in the field of literacy proficiency, including experts from Iowa's institutions of higher education and area education agencies with backgrounds in literacy development. The center shall seek support from the Iowa research community in data report development and

analysis of available information from Iowa education data sources. The center shall work with the department to identify additional needs for tools and technical assistance for Iowa schools to help schools achieve literacy proficiency goals and seek public and private partnerships in developing and accessing necessary tools and technical assistance.

(3) The center shall submit a report of its activities to the general assembly by January 15 annually.

Sec. 33. Section 279.60, Code 2011, is amended to read as follows:

279.60 ~~Kindergarten assessment~~ Assessments ---- access to data

---- reports.

1. Each school district shall administer a kindergarten readiness assessment prescribed by the department of education to every resident prekindergarten or four-year-old child whose parent or guardian enrolls the child in the district. The assessment shall be aligned with state early learning standards and preschool programs shall be encouraged to administer the assessment at least at the beginning and end of the preschool program, with the assessment information entered into the statewide longitudinal data system. The department shall work to develop agreements with head start programs to incorporate similar information about four-year-old children served by head start into the statewide longitudinal data system.

2. a. Each school district shall administer the dynamic indicators of basic early literacy skills kindergarten benchmark assessment or other kindergarten benchmark assessment adopted by the department of education in consultation with the early childhood Iowa state board to every kindergarten student enrolled in the district not later than the date specified in section 257.6, subsection 1. The school district shall also collect information from each parent, guardian, or legal custodian of a kindergarten student enrolled in the district, including but not limited to whether

the student attended preschool, factors identified by the early childhood Iowa office pursuant to section 256I.5, and other demographic factors. Each school district shall report the results of the assessment and the preschool information collected to the department of education in the manner prescribed by the department not later than January 1 of that school year. The early childhood Iowa office in the department of management shall have access to the raw data. The department shall review the information submitted pursuant to this section and shall submit its findings and recommendations annually in a report to the governor, the general assembly, the early childhood Iowa state board, and the early childhood Iowa area boards.

b. This subsection is repealed July 1, 2013.

3. Each school district shall administer the Iowa assessments, created by the state university of Iowa, to all students enrolled in grade ten.

Sec. 34. NEW SECTION. 279.69 Student progression ---- remedial instruction ---- reporting requirements ---- promotion.

1. Reading deficiency and parental notification.

a. A school district shall assess all students enrolled in kindergarten through grade three at the beginning of each school year for their level of reading or reading readiness on locally determined or statewide assessments, as provided in section 256.7, subsection 32. A school district shall provide intensive reading instruction to any student who exhibits a substantial deficiency in reading, based upon the assessment or through teacher observations. The student's reading proficiency shall be reassessed by locally determined or statewide assessments. The student shall continue to be provided with intensive reading instruction until the reading deficiency is remedied.

b. The parent or guardian of any student in kindergarten through grade three who exhibits a substantial deficiency in reading, as described in paragraph "a", shall be notified at

least annually in writing of the following:

(1) That the child has been identified as having a substantial deficiency in reading.

(2) A description of the services currently provided to the child.

(3) A description of the proposed supplemental instructional services and supports that the school district will provide to the child that are designed to remediate the identified area of reading deficiency.

(4) Strategies for parents and guardians to use in helping the child succeed in reading proficiency, including but not limited to the promotion of parent-guided home reading.

c. Beginning May 1, 2017, unless the school district is granted a waiver pursuant to subsection 2, paragraph "e", if the student's reading deficiency is not remedied by the end of grade three, as demonstrated by scoring on a locally determined or statewide assessment as provided in section 256.7, subsection 32, the school district shall notify the student's parent or guardian that the parent or guardian may enroll the student in an intensive summer reading program offered in accordance with subsection 2, paragraph "e". If the parent or guardian does not enroll the student in the intensive summer reading program and the student is ineligible for the good cause exemption under subsection 5, the student shall be retained in grade three pursuant to subsection 3. If the student is exempt from participating in an intensive summer reading program for good cause, pursuant to subsection 5, or completes the intensive summer reading program but is not reading proficient upon completion of the program, the student may be promoted to grade four, but the school district shall continue to provide the student with intensive reading instruction until the student is proficient in reading as demonstrated by scoring on locally determined or statewide assessments.

2. Successful progression for early readers. If funds

are appropriated by the general assembly for purposes of implementing this subsection, a school district shall do all of the following:

a. Provide students who are identified as having a substantial deficiency in reading under subsection 1, paragraph "a", with intensive instructional services and supports, free of charge, to remediate the identified areas of reading deficiency, including a minimum of ninety minutes daily of scientific, research-based reading instruction and other strategies prescribed by the school district which may include but are not limited to the following:

- (1) Small group instruction.
- (2) Reduced teacher-student ratios.
- (3) More frequent progress monitoring.
- (4) Tutoring or mentoring.
- (5) Extended school day, week, or year.
- (6) Summer reading programs.

b. At regular intervals, apprise the parent or guardian of academic and other progress being made by the student and give the parent or guardian other useful information.

c. In addition to required reading enhancement and acceleration strategies, provide parents of students who are identified as having a substantial deficiency in reading under subsection 1, paragraph "a", with a plan outlined in a parental contract, including participation in regular parent-guided home reading.

d. Establish a reading enhancement and acceleration development initiative designed to offer intensive accelerated reading instruction to each kindergarten through grade three student who is assessed as exhibiting a substantial deficiency in reading. The initiative shall comply with all of the following criteria:

(1) Be provided to all kindergarten through grade three students who exhibit a substantial deficiency in reading under this section. The assessment initiative shall measure phonemic awareness, phonics, fluency, vocabulary, and comprehension.

(2) Be provided during regular school hours in addition to the regular reading instruction.

(3) Provide a reading curriculum that meets guidelines adopted pursuant to section 256.7, subsection 32, and at a minimum has the following specifications:

(a) Assists students assessed as exhibiting a substantial deficiency in reading to develop the skills to read at grade level.

(b) Provides skill development in phonemic awareness, phonics, fluency, vocabulary, and comprehension.

(c) Includes a scientifically based and reliable assessment.

(d) Provides initial and ongoing analysis of each student's reading progress.

(e) Is implemented during regular school hours.

(f) Provides a curriculum in core academic subjects to assist the student in maintaining or meeting proficiency levels for the appropriate grade in all academic subjects.

e. Offer each summer, beginning in the summer of 2017, unless the school district receives a waiver from this requirement from the department of education for the summer of 2017, an intensive summer literacy program for students assessed as exhibiting a substantial deficiency in reading. The program shall meet the criteria and follow the guidelines established pursuant to section 256.9, subsection 53, paragraph "c", subparagraph (1), subparagraph division (g).

f. Report to the department of education the specific intensive reading interventions and supports implemented by the school district pursuant to this section. The department shall annually prescribe the components of required or requested reports.

3. Promotion to grade four. In determining whether to promote a student in grade three to grade four, a school district shall place significant weight on any reading deficiency identified pursuant to subsection 1, paragraph "a",

that is not yet remediated. The school district shall also weigh the student's progress in other subject areas, as well as the student's overall intellectual, physical, emotional, and social development. A decision to retain a student in grade three shall be made only after direct personal consultation with the student's parent or guardian and after the formulation of a specific plan of action to remedy the student's reading deficiency.

4. Ensuring continuous improvement in reading proficiency.

a. To ensure all children are reading proficiently by the end of third grade, each school district shall address reading proficiency as part of its comprehensive school improvement plan, drawing upon information about children from assessments conducted pursuant to subsection 1 and the prevalence of deficiencies identified by classroom, elementary school, and other student characteristics. As part of its comprehensive school improvement plan, each school district shall review chronic early elementary absenteeism for its impact on literacy development. If more than fifteen percent of an attendance center's students are not proficient in reading by the end of third grade, the comprehensive school improvement plan shall include strategies to reduce that percentage, including school and community strategies to raise the percentage of students who are proficient in reading.

b. Each school district, subject to an appropriation of funds by the general assembly, shall provide professional development services to enhance the skills of elementary teachers in responding to children's unique reading issues and needs and to increase the use of evidence-based strategies.

5. Good cause exemption.

a. The school district shall exempt students from the retention and intensive summer reading program requirements of subsection 1, paragraph "c", for good cause. Good cause exemptions shall be limited to the following:

(1) Limited English proficient students who have had less than two years of instruction in an English as a second

language program.

(2) Students requiring special education whose individualized education program indicates that participation in a locally determined or statewide assessment as provided in section 256.7, subsection 32, is not appropriate, consistent with the requirements of rules adopted by the state board of education for the administration of chapter 256B.

(3) Students who demonstrate an acceptable level of performance on an alternative performance measure approved pursuant to section 256.7, subsection 32.

(4) Students who demonstrate mastery through a student portfolio under alternative performance measures approved pursuant to section 256.7, subsection 32.

(5) Students who have received intensive remediation in reading for two or more years but still demonstrate a deficiency in reading and who were previously retained in kindergarten, grade one, grade two, or grade three. Intensive reading instruction for students so promoted must include an altered instructional day that includes specialized diagnostic information and specific reading strategies for each student. The school district shall assist attendance centers and teachers to implement reading strategies that research has shown to be successful in improving reading among low-performing readers.

b. Requests for good cause exemptions from the retention requirement of subsection 1, paragraph "c", for students described in paragraph "a", subparagraphs (3) and (4), shall include documentation from the student's teacher to the school principal that indicates that the promotion of the student is appropriate and is based upon the student's academic record. Such documentation shall include but not be limited to the individualized education program, if applicable, report card, or student portfolio.

Sec. 35. CROSS-AGENCY ASSESSMENT INSTRUMENT PLANNING GROUP. The department of education and the early childhood Iowa state board shall collaborate to form a cross-agency

planning group. Members of the planning group shall include teachers and school leaders, and representatives from the departments of public health, human services, and education, the Iowa early childhood state and area boards, the state board of regents, applicable nonprofit groups, and experts in early childhood assessment and educational assessment. The planning group shall study and select one standard, multidomain assessment instrument for implementation by all school districts for purposes of section 279.60, subsection 1. The instrument shall align with agreed upon state and national curriculum standards. The planning group shall study all costs associated with implementing a universal assessment instrument. The assessment instrument shall be administered at least at the beginning and at the end of the school year to measure student skills and academic growth. The planning group shall submit its findings and recommendations in a report to the general assembly by November 15, 2012.

DIVISION X

SCHOOL INSTRUCTIONAL TIME TASK FORCE

Sec. 36. SCHOOL INSTRUCTIONAL TIME TASK FORCE.

1. The director of the department of education shall appoint a school instructional time task force comprised of at least seven members to conduct a study regarding the minimum requirements of the school day and the school year. The study shall include but not be limited to an examination of the following:

a. Whether the minimum length of an instructional day should be extended and, if so, whether the instructional day should be extended for all students or for specific groups of students.

b. Whether the minimum number of instructional days or hours in a school year should be increased and, if so, whether the minimum number of days or hours in a school year should be increased for all students or for specific groups of students.

c. Whether the minimum number of instructional days or

hours

should be rearranged to result in a shorter summer break, with other days or weeks off throughout the school year.

d. Whether the minimum school year should be defined by a number of days or by a number of instructional hours.

e. Whether there should be a uniform, statewide start date for the school year that can only be waived for the purpose of implementing an innovative educational program.

f. Whether resources necessary to extend the minimum length

of an instructional day or the minimum length of a school year are justified when compared to competing education priorities.

2. Based upon the examination conducted pursuant to subsection 1, the task force shall design, propose, and establish goals for a pilot project on extending the school day or year to expand instructional time for prekindergarten through grade twelve.

3. The appointment of members to the task force shall be made in a manner which provides geographical area representation and complies with sections 69.16, 69.16A, and 69.16C.

4. The task force shall submit its findings, recommendations, and pilot project proposal in a report to the state board of education, the governor, and the general assembly by October 15, 2012.

DIVISION XI

CLASS SHARING AGREEMENTS

Sec. 37. Section 257.11, subsection 3, Code 2011, is amended

by adding the following new paragraph:

NEW PARAGRAPH. c. A school district that collaborates with a community college to provide a college-level class that uses an activities-based, project-based, and problem-based learning approach and that is offered through a partnership with a nationally recognized provider of rigorous and innovative science, technology, engineering, and mathematics

curriculum for schools, which provider is exempt from taxation under section 501(c)(3) of the Internal Revenue Code, is eligible to receive additional weighting under a supplementary weighting plan adopted pursuant to this subsection.

Sec. 38. Section 261E.8, Code Supplement 2011, is amended by adding the following new subsection:

NEW SUBSECTION. 6A. A student enrolled in a career and technical course made available pursuant to subsection 1 is exempt from the proficiency requirements of section 261E.3, subsection 1, paragraph "e". However, a community college may require a student who applies for enrollment under a district-to-community college sharing or concurrent enrollment program to complete an initial assessment administered by the community college receiving the application to determine the applicant's readiness to enroll in career and technical coursework, and the community college may deny the enrollment.

DIVISION XII

PRACTITIONER PREPARATION PROGRAM ASSESSMENTS

Sec. 39. Section 256.16, subsection 1, paragraph a, Code 2011, is amended to read as follows:

a. (1) Administer a basic skills test a preprofessional skills test offered by a nationally recognized testing service to practitioner preparation program admission candidates. Rules adopted shall require institutions to deny admission to the program to any candidate who does not successfully pass the test.

(2) Administer, prior to a student's completion of the practitioner preparation program and subject to the director's approval, subject assessments designed by a nationally recognized testing service that measure pedagogy and knowledge of at least one subject area; or, a valid and reliable subject-area-specific, performance-based assessment for preservice teacher candidates, centered on student learning. A student shall not successfully complete the program unless the student achieves scores above the twenty-fifth percentile

nationally on the assessments administered pursuant to this subparagraph.

DIVISION XIII
KINDERGARTEN REQUIREMENT

Sec. 40. Section 299.1A, Code 2011, is amended to read as follows:

299.1A Compulsory attendance age.

1. A Except as provided in subsection 2, a child who has reached the age of six and is under sixteen years of age by September 15 is of compulsory attendance age. However, if a child enrolled in a school district or accredited nonpublic school reaches the age of sixteen on or after September 15, the child remains of compulsory age until the end of the regular school calendar.

2. A child who has reached the age of five by September 15 and who is enrolled in a school district shall be considered to be of compulsory attendance age unless the parent or guardian of the child notifies the school district in writing of the parent's or guardian's intent to remove the child from enrollment in the school district.

DIVISION XIV
STATE MANDATE

Sec. 41. STATE MANDATE FUNDING SPECIFIED. In accordance with section 25B.2, subsection 3, the state cost of requiring compliance with any state mandate included in this Act shall be paid by a school district from the state school foundation aid received by the school district under section 257.16. This specification of the payment of the state cost shall be deemed to meet all of the state funding-related requirements of section 25B.2, subsection 3, and no additional state funding shall be necessary for the full implementation of this Act by and enforcement of this Act against all affected school districts.>

ON THE PART OF THE SENATE:

HERMAN C. QUIRMBACH, CHAIRPERSON
NANCY J. BOETTGER
TOD BOWMAN
SHAWN HAMERLINCK
BRIAN SCHOENJAHN

ON THE PART OF THE HOUSE:

ROYD CHAMBERS, CHAIRPERSON
CECIL DOLECHECK
GREG FORRISTALL
MARY MASCHER
SHARON STECKMAN

REPORT OF THE CONFERENCE COMMITTEE
ON HOUSE FILE 2465

To the Speaker of the House of Representatives and the President of the Senate:

We, the undersigned members of the conference committee appointed to resolve the differences between the House of Representatives and the Senate on House File 2465, a bill for an Act relating to state and local finances by making and adjusting appropriations, providing for legal responsibilities, and providing for properly related matters, and including effective date and retroactive and other applicability provisions, respectfully make the following report:

1. That Senate amendment, H-8513, to House File 2465, as amended, passed, and reprinted by the House, is amended to read as follows:

1. Page 1, after line 6 by inserting:

<Sec. ____ . GENERAL ASSEMBLY. The appropriations made pursuant to section 2.12 for the expenses of the general assembly and the legislative agencies for the fiscal year beginning July 1, 2012, and ending June 30, 2013, are reduced by the following amount:

..... \$ 1,672,924>

2. Page 2, after line 1 by inserting:

<8. For reimbursement for the homestead property tax credit
under section 425.1:

..... \$106,983,518

Sec. ____ . Section 97A.11A, subsection 1, Code 2011, is amended to read as follows:

~~1. Beginning with the fiscal year commencing July 1, 2012~~
2013, and ending June 30 of the fiscal year during which the board determines that the system's funded ratio of assets to liabilities is at least eighty-five percent, there is

appropriated from the general fund of the state for each fiscal year to the retirement fund described in section 97A.8, an amount equal to five million dollars.>

3. Page 2, after line 3 by inserting:

<Sec. _____. WATERSHED IMPROVEMENT FUND ----

APPROPRIATION. There is appropriated from the rebuild Iowa infrastructure fund to the department of agriculture and land stewardship for the fiscal year beginning July 1, 2012, and ending June 30, 2013, the following amount, or so much thereof as is necessary, to be used for the purposes designated, notwithstanding section 8.57, subsection 6, paragraph "c":

For deposit in the watershed improvement fund created in section 466A.2:

..... \$ 1,000,000

Sec. _____. TUITION GRANTS ---- FOR-PROFIT ACCREDITED PRIVATE INSTITUTIONS.

1. There is appropriated from the general fund of the state to the college student aid commission for the fiscal year beginning July 1, 2012, and ending June 30, 2013, the following amount, or so much thereof as is necessary, to be used for the purposes designated:

For tuition grants for students attending for-profit accredited private institutions located in Iowa under 261.25, subsection 2:

..... \$ 500,000

2. Moneys appropriated in this section shall supplement and not supplant moneys appropriated in section 261.25, subsection 2, for the fiscal year beginning July 1, 2012, and ending June 30, 2013.

Sec. _____. IOWA READING RESEARCH CENTER. There is appropriated from the general fund of the state to the department of education for the fiscal year beginning July 1, 2012, and ending June 30, 2013, the following amount, or so

much thereof as is necessary, to be used for the purposes designated:

For establishing an Iowa reading research center pursuant to

2012 Iowa Acts, [Senate File 2284](#), if enacted:

..... \$ 2,000,000>

4. Page 2, by striking lines 4 through 11 and inserting:

<Sec. _____. JOINT STATE-FEDERAL MORTGAGE SERVICING
SETTLEMENT MONEYS ---- APPROPRIATIONS.

1. A mortgage servicing settlement fund is established, separate and apart from all other public moneys or funds of the state, under the control of the department of justice. The department of justice shall deposit moneys received by the department from the joint state-federal mortgage servicing settlement into the fund. The department of justice is authorized to make expenditures of moneys in the fund consistent with the terms of the consent decree signed in federal court on April 5, 2012. Any unencumbered or unobligated moneys remaining in the fund on June 30, 2015, shall be transferred to the general fund of the state.

2. A banking division mortgage servicing settlement fund is established, separate and apart from all other public moneys or funds of the state, under the control of the division of banking of the department of commerce. The banking division shall deposit moneys received by the division from the joint state-federal mortgage servicing settlement into the fund. Moneys deposited in the fund are appropriated to the banking division to be used as provided in a financial plan developed by the superintendent of banking and approved by the department of management to support state financial regulation, including oversight of mortgage lending and mortgage servicing, real estate and real estate appraisal, state chartered banks, and other financial services regulated by the division of banking. Moneys in the fund may also be used to support financial literacy efforts. The financial

plan may be updated periodically as provided by the superintendent and approved by the department of management. Notwithstanding section 8.33, moneys in the fund that remain unencumbered or unobligated at the close of a fiscal year shall not revert but shall remain available for expenditure for the purposes designated until the close of the fiscal year that begins July 1, 2014. Any unencumbered or unobligated moneys remaining in the fund on June 30, 2015, shall be transferred to the general fund of the state.

3. There is appropriated from the mortgage servicing settlement fund to the department of management for the fiscal year beginning July 1, 2012, and ending June 30, 2013, the following amount, or so much thereof as is necessary, to be used for the purposes designated:

For deposit in the rebuild Iowa infrastructure fund:

..... \$ 1,000,000>

5. Page 2, by striking line 12 and inserting:

4. a. The department of justice shall>

6. Page 2, line 14, after <moneys> by inserting <from the mortgage servicing settlement fund by the department of justice>

7. Page 2, after line 20 by inserting:

<b. The division of banking shall submit a report to the general assembly detailing the expenditure of moneys from the banking division mortgage servicing settlement fund by the division of banking for the previous calendar year and how the expenditures related to the implementation, monitoring, or enforcement of the settlement and how expenditures in the current and succeeding calendar year will be used for implementation, monitoring, or enforcement of the settlement. The initial report shall be submitted on or before January 15, 2013.>

8. Page 2, line 30, by striking <137,000> and inserting <50,000>

9. By striking page 2, line 31, through page 3, line 1.

10. Page 3, line 2, by striking <2.> and inserting <1.>

11. Page 3, line 7, after <year> by inserting <and shall include but is not limited to an antibullying internet site, internet-based communications including texting capabilities, and a telephone hotline>

12. Page 3, line 8, by striking <3.> and inserting <2.>

13. Page 3, by striking lines 13 through 46.

14. Page 4, by striking lines 6 through 17.

15. Page 5, line 10, by striking <13.> and inserting
<____.>

16. Page 5, before line 13 by inserting:

<Sec. _____. NEW SECTION. 15E.71 Executive council action.

Notwithstanding section 7D.29, subsection 1, the executive council in full consultation with the attorney general, and with the agreement of the attorney general, shall take any action deemed necessary to protect the interests of the state with respect to any certificates, tax credits, entities created, or action taken in relation to this division. Such actions may include but are not limited to initiation of legal action, commencement of special investigations, institution of special audits of any involved entity, or establishment of receiverships. If such action is taken, the council may incur the necessary expense to perform such a duty or cause such a duty to be performed, and pay the same out of any money in the state treasury not otherwise appropriated.>

17. By striking page 6, line 46, through page 8, line 7.

18. Page 9, by striking lines 15 through 23.

19. Page 9, line 32, by striking <fifteen> and inserting
<twenty>

20. Page 9, before line 37 by inserting:

<Sec. _____. Section 257.37, subsections 1 and 2, Code 2011, are amended to read as follows:

1. For the budget year beginning July 1, 1991, and succeeding budget years, the total amount funded in each area for media services shall be computed as provided in this subsection. For the budget year beginning July 1, 1991, the total amount funded in each area for media services in the

~~base year, including the cost for media resource material which shall only be used for the purchase or replacement of material required in section 273.6, subsection 1, paragraphs "a", "b", and "c", shall be divided by the enrollment served in the base year to provide an area media services cost per pupil in the base year, and the department of management shall compute the state media services cost per pupil in the base year which is equal to the average of the area media services costs per pupil in the base year. For the budget year beginning July 1, 1991, and succeeding budget years, the department of management shall compute the allowable growth for media services in the budget year by multiplying the state media services cost per pupil in the base year times the state percent of growth for the budget year, and the total amount funded in each area for media services cost in the budget year equals the area media services cost per pupil in the base year plus the allowable growth for media services in the budget year times the enrollment served in the budget year. Funds shall be paid to area education agencies as provided in section 257.35.~~

2. ~~Thirty~~ Up to thirty percent of the budget of an area for media services ~~shall~~ may be expended for media resource material ~~which shall only be used for~~ including the purchase or replacement of material required in section 273.6, subsection 1. Funds shall be paid to area education agencies as provided in section 257.35.>

21. Page 10, by striking lines 5 through 7 and inserting <in section 97A.1, who was killed in the line of duty>

22. Page 10, by striking lines 13 through 15 and inserting <fighter, as defined in section 411.1, who was killed in the>

23. Page 10, by striking lines 20 through 23 and inserting <as defined in section 97B.49C, who was killed in the line of duty as>

24. Page 10, after line 25 by inserting:

< (4) Is the child of a fire fighter included under section 97B.49B, who was killed in the line of duty as determined by the Iowa public employees' retirement system in accordance with section 97B.52, subsection 2.>

25. By striking page 11, line 25, through page 12, line 7.

26. Page 13, before line 1 by inserting:

<Sec. _____. Section 476C.3, subsection 4, paragraph b, Code Supplement 2011, is amended to read as follows:

b. The maximum amount of energy production capacity equivalent of all other facilities the board may find eligible under this chapter shall not exceed a combined output of fifty-three megawatts of nameplate generating capacity and one hundred sixty-seven billion British thermal units of heat for a commercial purpose. Of the maximum amount of energy production capacity equivalent of all other facilities found eligible under this chapter, no more than ten megawatts of nameplate generating capacity or energy production capacity equivalent shall be allocated to any one facility. Of the maximum amount of energy production capacity equivalent of all other facilities found eligible under this chapter, fifty-five billion British thermal units of heat for a commercial purpose shall be reserved for an eligible facility that is a refuse conversion facility for processed, engineered fuel from a multicounty solid waste management planning area. The maximum amount of energy production capacity the board may find eligible for a single refuse conversion facility is fifty-five billion British thermal units of heat for a commercial purpose. ~~Of the maximum amount of energy production capacity equivalent of all other facilities found eligible under this chapter, an amount equivalent to ten megawatts of nameplate generating capacity shall be reserved for eligible renewable energy facilities incorporated within or associated with an ethanol cogeneration plant engaged in the sale of ethanol to states to meet a low carbon fuel standard.~~

Sec. _____. Section 476C.3, Code Supplement 2011, is amended by adding the following new subsection:

NEW SUBSECTION. 4A. Notwithstanding the definition of "eligible renewable energy facility" in section 476C.1, subsection 6, unnumbered paragraph 1, of the maximum amount of energy production capacity equivalent of all other facilities found eligible pursuant to subsection 4, paragraph "b", an amount equivalent to ten megawatts of nameplate generating capacity shall be reserved for natural gas cogeneration facilities incorporated within or associated with an ethanol plant to assist the ethanol plant in meeting a low carbon fuel standard.>

27. Page 13, after line 14 by inserting:

<Sec. _____. Section 511.8, subsection 19, Code Supplement 2011, is amended to read as follows:

19. Other foreign government or corporate obligations.

a. Bonds or other evidences of indebtedness, not to include currency, issued, assumed, or guaranteed by a foreign government other than Canada, or by a corporation incorporated under the laws of a foreign government other than Canada. Such governmental obligations must be valid, legally authorized and issued, and on the date of acquisition have predominantly investment qualities and characteristics as provided by rule. Such corporate obligations must meet the qualifications established in subsection 5 for bonds and other evidences of indebtedness issued, assumed, or guaranteed by a corporation incorporated under the laws of the United States or Canada. Foreign investments authorized by this subsection are not eligible in excess of ~~twenty~~ twenty-five percent of the legal reserve of the life insurance company or association. Investments in obligations of a foreign government, other than Canada ~~and~~, the United Kingdom, and foreign governments rated AAA by Standard and Poor's division of McGraw-Hill companies, inc., or Aaa by Moody's investors services, inc., are not eligible in excess of two percent of the legal reserve in the securities of foreign governments of any one foreign nation.

Investments in obligations of the United Kingdom are not eligible in excess of four percent of the legal reserve. Investments in obligations of foreign governments rated either AAA by Standard and Poor's division of McGraw-Hill companies, inc., or Aaa by Moody's investors services, inc., are not eligible in excess of five percent of the legal reserve. Investments in a corporation incorporated under the laws of a foreign government other than Canada are not eligible in excess of two percent of the legal reserve in the securities of any one foreign corporation.

b. Eligible investments in foreign obligations under this subsection are limited to the types of obligations specifically referred to in this subsection. This subsection in no way limits or restricts investments in Canadian obligations and securities specifically authorized in other subsections of this section.

c. This subsection shall not authorize investment in evidences of indebtedness issued, assumed, or guaranteed by a foreign government which engages in a consistent pattern of gross violations of human rights.>

28. Page 15, line 5, by striking <2289.> and inserting <2289.>

29. Page 15, by striking lines 14 through 16 and inserting:

<6. The section of this division of this Act relating to joint state-federal mortgage servicing settlement moneys.>

30. By striking page 25, line 43, through page 27, line 32.

31. By striking page 28, line 7, through page 30, line 44.

32. By striking page 30, line 45, through page 31, line 25.

33. By striking page 31, line 29, through page 34, line 39.

34. By striking page 42, line 23, through page 43, line 28.

35. Page 44, line 9, after <percent.> by inserting <An ordinance increasing the franchise fee rate to greater than five percent pursuant to this subparagraph division (b) shall not become effective unless approved at an election. After passage of the ordinance, the council shall submit the proposal at a special election held on a date specified in section 39.2, subsection 4, paragraph "b". If a majority of those voting on the proposal approves the proposal, the city may proceed as proposed. The complete text of the ordinance shall be included on the ballot and the full text of the ordinance posted for the voters pursuant to section 52.25. All absentee voters shall receive the full text of the ordinance along with the absentee ballot.>

36. By striking page 45, line 9, through page 46, line 5.

37. Page 46, by striking lines 8 and 9 and inserting:

<Sec. _____. Section 256D.9, Code 2011, is amended to read as follows:

256D.9 Future repeal.

This chapter is repealed effective July 1, ~~2012~~ 2013.>

38. By striking page 46, line 12, through page 52, line 6.

39. By striking page 53, line 14, through page 57, line 44, and inserting:

<DIVISION _____

NAVIGATOR ---- INSURANCE

Sec. _____. NEW SECTION. 522D.1 Definitions.

As used in this chapter, unless the context otherwise requires:

1. "Commissioner" means the commissioner of insurance.

2. "Navigator" means a public or private entity or an individual that is qualified and licensed, if appropriate, to engage in the activities and meet the standards described in 45 C.F.R. { 155.210.

Sec. _____. NEW SECTION. 522D.2 License required.

A person shall not act as a navigator in this state unless the person is licensed by the commissioner as required in this chapter.

Sec. _____. NEW SECTION. 522D.3 Actions prohibited.

A navigator shall not perform the functions of a person required to be licensed as an insurance producer under chapter 522B unless the navigator is licensed as a navigator pursuant to this chapter and as an insurance producer pursuant to chapter 522B.

Sec. _____. NEW SECTION. 522D.4 Application for examination.

1. An individual applying for a navigator license shall pass a written examination. The examination shall test the knowledge of the individual concerning the duties and responsibilities of a navigator and the insurance laws and regulations of this state. The commissioner shall adopt rules pursuant to chapter 17A related to the development and conduct of the examination.

2. The commissioner may make arrangements, including contracting with an outside testing service or other appropriate entity, for administering examinations and collecting fees.

3. An individual applying for an examination shall remit a nonrefundable fee as established by rule of the commissioner.

4. An individual who fails to appear for the examination as scheduled or fails to pass the examination shall reapply for an examination and remit all required fees and forms before being rescheduled for another examination.

Sec. _____. NEW SECTION. 522D.5 Application for license.

1. A person applying for a navigator license shall make application to the commissioner on an application form approved by the commissioner and declare under penalty of refusal, suspension, or revocation of the license that the statements made on the application are true, correct, and complete to the best of the individual's knowledge and belief.

Before approving the application, the commissioner shall find all of the following:

- a. The individual is at least eighteen years of age.
- b. The individual has not committed any act that is a ground for denial, suspension, or revocation as set forth in section 522D.7.
- c. The individual has paid the license fee, as established by the commissioner by rule.
- d. The individual has successfully completed the initial training and education program for a license as established by the commissioner by rule.
- e. The individual has successfully passed the examination as provided in section 522D.4.
- f. In order to protect the public interest, the individual has the requisite character and competence to receive a license as a navigator.

2. A public or private entity acting as a navigator may elect to obtain a navigator license. Application shall be made using the application form approved by the commissioner. Prior to approving the application, the commissioner shall find both of the following:

- a. The entity has paid the appropriate fees.
- b. The entity has designated a licensed navigator responsible for the entity's compliance with this chapter.

Sec. _____. NEW SECTION. 522D.6 License.

1. A person who meets the requirements of sections 522D.4 and 522D.5, unless otherwise denied licensure pursuant to section 522D.7, shall be issued a navigator license. A navigator license is valid for three years.

2. A navigator license remains in effect unless revoked or suspended as long as all required fees are paid and continuing education requirements are met by any applicable due date. A navigator is required to complete continuing education requirements required by law in order to be eligible for license renewal.

3. A licensed navigator who is unable to comply with license renewal procedures due to military service or other extenuating circumstances may request a waiver of those procedures. The licensed navigator may also request a waiver of any examination requirement or any other penalty or sanction imposed for failure to comply with renewal procedures.

4. The license shall contain the licensee's name, address, personal identification number, the date of issuance, the expiration date, and any other information the commissioner deems necessary.

5. A licensee shall inform the commissioner by any means acceptable to the commissioner of a change of legal name or address within thirty days of the change. Failure to timely inform the commissioner of a change of legal name or address may result in a penalty as specified in section 522D.7.

6. The commissioner shall require by rule that a licensed navigator furnish a surety bond or other evidence of financial responsibility that protects all persons against wrongful acts, misrepresentations, errors, omissions, or negligence of the navigator.

7. In order to assist with the commissioner's duties, the commissioner may contract with a nongovernmental entity, including the national association of insurance commissioners or any affiliate or subsidiary the national association of insurance commissioners oversees, to perform any ministerial functions, including the collection of fees, related to navigator licensing that the commissioner deems appropriate.

Sec. _____. NEW SECTION. 522D.7 License denial, nonrenewal, or revocation.

1. The commissioner may place on probation, suspend, revoke, or refuse to issue or renew a navigator's license or may levy a civil penalty as provided in section 522D.8 for any one or more of the following causes:

- a. Providing incorrect, misleading, incomplete, or materially untrue information in the license application.
- b. Violating any insurance laws, or violating any regulation, subpoena, or order of the commissioner or of a commissioner of another state.
- c. Obtaining or attempting to obtain a license through misrepresentation or fraud.
- d. Improperly withholding, misappropriating, or converting any moneys or properties received in the course of doing insurance business.
- e. Intentionally misrepresenting the terms of an actual or proposed insurance contract or application for insurance.
- f. Having been convicted of a felony.
- g. Having admitted or been found to have committed any unfair insurance trade practice or fraud.
- h. Using fraudulent, coercive, or dishonest practices, or demonstrating incompetence, untrustworthiness, or financial irresponsibility in the conduct of business in this state or elsewhere.
- i. Having a navigator license, or its equivalent, denied, suspended, or revoked in any other state, province, district, or territory.
- j. Forging another's name to an application for insurance or to any document related to an insurance transaction.
- k. Improperly using notes or any other reference material to complete an examination for a navigator license.
- l. Failing to comply with an administrative or court order imposing a child support obligation.
- m. Failing to comply with an administrative or court order related to repayment of loans to the college student aid commission.
- n. Failing to pay state income tax or comply with any administrative or court order directing payment of state income tax.

o. Failing or refusing to cooperate in an investigation by the commissioner.

2. If the commissioner does not renew a license or denies an application for a license, the commissioner shall notify the applicant or licensee and advise, in writing, the licensee or applicant of the reason for the nonrenewal of the license or denial of the application for a license. The licensee or applicant may request a hearing on the nonrenewal or denial. A hearing shall be conducted according to section 507B.6.

3. The license of a public or private entity operating as a navigator may be suspended, revoked, or refused if the commissioner finds, after hearing, that an individual navigator licensee's violation was known or should have been known by a partner, officer, or manager acting on behalf of the entity and the violation was not reported to the commissioner and corrective action was not taken.

4. In addition to, or in lieu of, any applicable denial, suspension, or revocation of a license, a person, after hearing, may be subject to a civil penalty as provided in section 522D.8.

5. The commissioner may conduct an investigation of any suspected violation of this chapter pursuant to section 507B.6 and may enforce the provisions and impose any penalty or remedy authorized by this chapter and chapter 507B against any person who is under investigation for, or charged with, a violation of either chapter even if the person's license has been surrendered or has lapsed by operation of law.

6. a. In order to assure a free flow of information for accomplishing the purposes of this section, all complaint files, investigation files, other investigation reports, and other investigative information in the possession of the commissioner or the commissioner's employees or agents that relates to licensee discipline are privileged and confidential, and are not subject to discovery, subpoena, or other means of legal compulsion for their release to a person other than the licensee, and are not admissible in evidence in

a judicial or administrative proceeding other than the proceeding involving licensee discipline. A final written decision of the commissioner in a disciplinary proceeding is a public record.

b. Investigative information in the possession of the commissioner or the commissioner's employees or agents that relates to licensee discipline may be disclosed, in the commissioner's discretion, to appropriate licensing authorities within this state, the appropriate licensing authority in another state, the District of Columbia, or a territory or country in which the licensee is licensed or has applied for a license.

c. If the investigative information in the possession of the commissioner or the commissioner's employees or agents indicates a crime has been committed, the information shall be reported to the proper law enforcement agency.

d. Pursuant to the provisions of section 17A.19, subsection 6, upon an appeal by the licensee, the commissioner shall transmit the entire record of the contested case to the reviewing court.

e. Notwithstanding the provisions of section 17A.19, subsection 6, if a waiver of privilege has been involuntary and evidence has been received at a disciplinary hearing, the court shall issue an order to withhold the identity of the individual whose privilege was waived.

Sec. _____. NEW SECTION. 522D.8 Cease and desist orders

penalties.

1. A navigator who, after hearing, is found to have violated this chapter, may be ordered to cease and desist from engaging in the conduct resulting in the violation and may be assessed a civil penalty pursuant to chapter 507B.

2. If a person does not comply with an order issued pursuant

to this section, the commissioner may petition a court of competent jurisdiction to enforce the order. The court shall not require the commissioner to post a bond in an action or proceeding under this section. If the court finds, after notice and opportunity for hearing, that the person is not in compliance with an order, the court may adjudge the person to be in civil contempt of the order. The court may impose a civil penalty against the person for contempt in an amount not less than three thousand dollars but not greater than ten thousand dollars for each violation and may grant any other relief that the court determines is just and proper in the circumstances.

Sec. ____ . NEW SECTION. 522D.9 Injunctive relief.

1. A person may bring an action in district court to enjoin another person from acting as a navigator in violation of section 522D.2. However, before bringing an action in district court to enjoin a person pursuant to this section, the person shall file a complaint with the insurance division alleging that another person is acting as a navigator in violation of section 522D.2.

2. If the division makes a determination to proceed administratively against the person for a violation of section 522D.2, the complainant shall not bring an action in district court against the person pursuant to this section based upon the allegations contained in the complaint filed with the division.

3. If the division does not make a determination to proceed administratively against the person for a violation of section 522D.2, the division shall issue, by ninety days from the date of filing of the complaint, a release to the complainant that permits the complainant to bring an action in district court pursuant to this section.

4. The filing of a complaint with the division pursuant to this section tolls the statute of limitations pursuant to

section 614.1 as to the alleged violation for a period of one hundred twenty days from the date of filing the complaint.

5. Any action brought in district court by a complainant against a person pursuant to this section, based upon the allegations contained in the complaint filed with the division, shall be brought within one year after the ninety-day period following the filing of the complaint with the division, or the date of the issuance of a release by the division, whichever is earlier.

6. If the court finds that the person is in violation of section 522D.2 and enjoins the person from acting as a navigator in violation of that section, the court's findings of fact and law, and the judgment and decree, when final, shall be admissible in any proceeding initiated pursuant to section 522D.8 by the commissioner against the person enjoined and the person enjoined shall be precluded from contesting in that proceeding the court's determination that the person acted as a navigator in violation of section 522D.2.

Sec. _____. NEW SECTION. 522D.10 Rules.

The commissioner may adopt rules pursuant to chapter 17A as are necessary or proper to carry out the purposes of this chapter.

Sec. _____. NEW SECTION. 522D.11 Severability.

If any provision of this chapter or its application to any person or circumstance is held invalid by a court of competent jurisdiction or by federal law, the invalidity does not affect other provisions or applications of the chapter that can be given effect without the invalid provision or application, and to this end the provisions of the chapter are severable and the valid provisions or applications shall remain in full force and effect.

Sec. _____. NEW SECTION. 522D.12 Future repeal.

If the federal law providing for the sale of qualified health benefit plans of the state is repealed by federal legislation or is ruled invalid by a decision of the United States supreme

court, the commissioner shall notify the Iowa Code editor of the effective date of the repeal or the date of the ruling. This chapter is repealed on the effective date of such federal legislation or the date of the United States supreme court decision.

DIVISION ____

CAPITAL GAIN DEDUCTION FOR SALE TO AN IOWA ESOP

Sec. _____. Section 422.7, subsection 21, Code Supplement 2011, is amended by adding the following new paragraph:

NEW PARAGRAPH. e. (1) To the extent not already excluded, fifty percent of the net capital gain from the sale or exchange of employer securities of an Iowa corporation to a qualified Iowa employee stock ownership plan when, upon completion of the transaction, the qualified Iowa employee stock ownership plan owns at least thirty percent of all outstanding employer securities issued by the Iowa corporation.

(2) For purposes of this paragraph:

(a) "Employer securities" means the same as defined in section 409(1) of the Internal Revenue Code.

(b) "Iowa corporation" means a corporation whose commercial domicile, as defined in section 422.32, is in this state.

(c) "Qualified Iowa employee stock ownership plan" means an employee stock ownership plan, as defined in section 4975(e)(7) of the Internal Revenue Code, and trust that are established by an Iowa corporation for the benefit of the employees of the corporation.

Sec. _____. RETROACTIVE APPLICABILITY. This division of this Act applies retroactively to January 1, 2012, for tax years beginning on or after that date.>

ON THE PART OF THE HOUSE:

J. SCOTT RAECKER, CHAIRPERSON
MARK LOFGREN
TYLER OLSON
KIRSTEN RUNNING-MARQUARDT
NICK WAGNER

ON THE PART OF THE SENATE:

ROBERT E. DVORSKY, CHAIRPERSON
MICHAEL E. GRONSTAL
JOHN P. KIBBIE

REPORT OF THE CONFERENCE COMMITTEE
ON [SENATE FILE 466](#)

To the President of the Senate and the Speaker of the House of Representatives:

We, the undersigned members of the conference committee appointed to resolve the differences between the Senate and House of Representatives on [Senate File 466](#), a bill for an Act relating to residential contractors and providing a penalty, respectfully make the following report:

1. That the Senate recedes from its amendment, [H-8453](#).

2. That the House amendment, [S-3329](#), to [Senate File 466](#), as amended, passed, and reprinted by the Senate, is amended to read as follows:

1. Page 2, by striking lines 3 through 15 and inserting:
<NOTICE OF CONTRACT OBLIGATIONS AND RIGHTS

You may be responsible for payment to (insert name of residential contractor) for the cost of all goods and services provided whether or not you receive payment from any property and casualty insurance policy with respect to the damage. Pursuant to Iowa law your contract with (insert name of residential contractor) to provide goods and services to repair damage resulting from a naturally occurring catastrophe including but not limited to a fire, earthquake, tornado, windstorm, flood, or hail storm is void>

2. Page 2, by striking lines 36 through 41 and inserting:

<6. a. A residential contractor violating this section is subject to the penalties and remedies prescribed by this chapter.

b. A violation of subsection 2 or 3 by a residential contractor is an unlawful practice pursuant to section 714.16.>

ON THE PART OF THE SENATE:

MATT MCCOY, CHAIRPERSON
BILL ANDERSON
RICK BERTRAND
THOMAS G. COURTNEY
PAM JOCHUM

ON THE PART OF THE HOUSE:

STEWART IVERSON, CHAIRPERSON
JEFF KAUFMANN
DAN MUHLBAUER
JO OLDSON